

SENATE BILL 413

Q1

0lr1882

By: **Senators Pugh, Exum, Forehand, Lenett, Madaleno, Miller, and Muse**
Introduced and read first time: January 29, 2010
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax Credit – Replacement Home Purchased After Acquisition of**
3 **Dwelling for Public Use**

4 FOR the purpose of requiring the State and the governing body of a county and
5 municipal corporation to grant a tax credit against the State, county, and
6 municipal corporation property taxes for certain property purchased by certain
7 owners of certain property that is acquired for public use; providing for the
8 computation of the credit; requiring certain owners of certain property to apply
9 for the credit; requiring certain information to be provided in an application for
10 the credit; prohibiting the granting of the credit unless a certain application has
11 been submitted by a certain date; authorizing the State Department of
12 Assessments and Taxation to provide the application on its website; requiring
13 the Department to adopt certain regulations; defining certain terms; providing
14 for the application of this Act; and generally relating to a property tax credit for
15 an increase in property tax due on the replacement home of certain
16 homeowners.

17 BY adding to
18 Article – Tax – Property
19 Section 9–110
20 Annotated Code of Maryland
21 (2007 Replacement Volume and 2009 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
23 MARYLAND, That the Laws of Maryland read as follows:

24 **Article – Tax – Property**

25 **9–110.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 (A) (1) IN THIS SECTION THE FOLLOWING TERMS HAVE THE
2 MEANINGS INDICATED.

3 (2) “ACQUIRED DWELLING” MEANS A DWELLING:

4 (I) THAT WAS OWNED BY A QUALIFIED DISPLACED
5 HOMEOWNER; AND

6 (II) THAT BY NEGOTIATION OR CONDEMNATION WAS
7 ACQUIRED FROM THE QUALIFIED DISPLACED HOMEOWNER FOR PUBLIC USE BY
8 THE STATE OR A POLITICAL SUBDIVISION OR AN INSTRUMENTALITY OF THE
9 STATE, IN WHICH THE ACQUIRING AGENCY HAD THE POWER TO ACQUIRE THE
10 DWELLING FOR PUBLIC USE BY CONDEMNATION.

11 (3) “ACQUISITION YEAR” MEANS THE TAXABLE YEAR IN WHICH
12 AN ACQUIRED DWELLING WAS ACQUIRED FOR PUBLIC USE BY THE STATE OR A
13 POLITICAL SUBDIVISION OR INSTRUMENTALITY OF THE STATE.

14 (4) “DWELLING” HAS THE MEANING STATED IN § 9–105 OF THIS
15 SUBTITLE.

16 (5) “LEGAL INTEREST” HAS THE MEANING STATED IN § 9–105 OF
17 THIS SUBTITLE.

18 (6) “QUALIFIED DISPLACED HOMEOWNER” MEANS A PROPERTY
19 OWNER WHO HAS A LEGAL INTEREST IN A DWELLING THAT WAS ACQUIRED FOR
20 PUBLIC USE BY THE STATE OR A POLITICAL SUBDIVISION OR AN
21 INSTRUMENTALITY OF THE STATE.

22 (7) “REPLACEMENT DWELLING” MEANS A DWELLING THAT IS
23 PURCHASED BY A QUALIFIED DISPLACED HOMEOWNER BY THE END OF THE
24 TAXABLE YEAR FOLLOWING THE ACQUISITION YEAR.

25 (8) “TAXABLE ASSESSMENT” MEANS THE ASSESSMENT ON WHICH
26 THE STATE, COUNTY, AND MUNICIPAL CORPORATION PROPERTY TAX RATE IS
27 IMPOSED.

28 (B) SUBJECT TO THE LIMITATION PROVIDED IN SUBSECTION (C) OF
29 THIS SECTION, IF A QUALIFIED DISPLACED HOMEOWNER PURCHASES A
30 REPLACEMENT DWELLING THAT HAS A HIGHER TAXABLE ASSESSMENT THAN
31 THE ACQUIRED DWELLING HAD IN THE ACQUISITION YEAR, THE STATE AND THE
32 GOVERNING BODY OF EACH COUNTY AND OF EACH MUNICIPAL CORPORATION
33 SHALL GRANT A PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE

1 STATE, COUNTY, AND MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON
2 REAL PROPERTY BY THE STATE, COUNTY, OR MUNICIPAL CORPORATION.

3 (C) THE AMOUNT OF THE CREDIT SHALL BE THE DIFFERENCE BETWEEN
4 THE TAXABLE ASSESSMENT OF THE ACQUIRED DWELLING IN THE ACQUISITION
5 YEAR AND THE TAXABLE ASSESSMENT OF THE REPLACEMENT DWELLING
6 MULTIPLIED BY THE STATE, COUNTY, OR MUNICIPAL CORPORATION PROPERTY
7 TAX RATE IMPOSED.

8 (D) (1) TO QUALIFY FOR THE CREDIT UNDER THIS SECTION, A
9 QUALIFIED DISPLACED HOMEOWNER SHALL SUBMIT AN APPLICATION FOR THE
10 CREDIT TO THE DEPARTMENT AS PROVIDED IN THIS SUBSECTION.

11 (2) THE APPLICATION SHALL:

12 (I) BE MADE ON THE FORM THAT THE DEPARTMENT
13 PROVIDES;

14 (II) PROVIDE THE INFORMATION REQUIRED BY THE FORM;
15 AND

16 (III) INCLUDE A STATEMENT BY THE QUALIFIED DISPLACED
17 HOMEOWNER UNDER OATH THAT THE FACTS STATED IN THE APPLICATION ARE
18 TRUE, CORRECT, AND COMPLETE.

19 (3) THE DEPARTMENT MAY NOT AUTHORIZE AND THE STATE,
20 COUNTY, AND MUNICIPAL CORPORATION MAY NOT GRANT THE PROPERTY TAX
21 CREDIT UNDER THIS SECTION FOR A REPLACEMENT DWELLING UNLESS AN
22 APPLICATION IS FILED WITH THE DEPARTMENT WITHIN 180 DAYS FOLLOWING
23 THE DATE THE REPLACEMENT DWELLING IS TRANSFERRED FOR
24 CONSIDERATION TO A QUALIFIED DISPLACED HOMEOWNER.

25 (4) THE DEPARTMENT MAY PROVIDE THE REQUIRED
26 APPLICATION ELECTRONICALLY ON THE DEPARTMENT'S WEBSITE.

27 (E) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT
28 THIS SECTION.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 June 1, 2010, and shall be applicable to all taxable years beginning after June 30,
31 2010.